

## Memorandum

DATE ISSUED: May 1, 2006 Report No. 06-006

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Council President and City Council  
Docket of June 20, 2006

SUBJECT: Housing Set-Aside Funds, Transfer from Mount Hope Housing  
Rehabilitation Program to Southcrest Housing Rehabilitation Program

REFERENCE: None

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### REQUESTED ACTION:

- 1) Should the Redevelopment Agency of the City of San Diego (Agency) approve a transfer of \$150,000.00 from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program?
- 2) Should the Redevelopment Agency approve the Findings of Benefit to the Mount Hope Redevelopment Project?
- 3) Should the City Council approve a transfer of \$150,000.00 from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program?
- 4) Should the City Council approve the Findings of Benefit to the Mount Hope Redevelopment Project (Attachment No. 1)?

### STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY:

- 1) Approve a transfer of \$150,000.00 from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program.
- 2) Approve the Findings of Benefit to the Mount Hope Redevelopment Project.

### STAFF RECOMMENDATION TO THE CITY COUNCIL:

- 1) Approve a transfer of \$150,000.00 from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program.
- 2) Approve the Findings of Benefit to the Mount Hope Redevelopment Project.

SUMMARY:

BACKGROUND

In 1997, the SEDC Board of Directors approved the establishment of a Housing Rehabilitation Program (Program) that would assist low-moderate income single-family homeowners living in the Southcrest Redevelopment Project Area. The program is administered and marketed by the Housing Commission under the provisions of a Master Administrative Agreement with SEDC, amended and approved by the Agency and City Council in 2001.

DISCUSSION

The Southcrest Rehabilitation Program was initiated following the start of construction of the Southcrest Park Estates Phase I (34 single-family homes built in 1995/96). The program initially targeted homes immediately adjacent to the new homes in Southcrest Park Estates. The program was very well received and was eventually expanded to include the entire Southcrest Redevelopment Project Area. The program funding was made available through the Southcrest 20% tax increment set-aside for affordable housing.

The Southcrest Housing Rehabilitation Funds have been depleted since FY 04/05. The Housing Commission has not taken any new applications and there are 12 Southcrest homeowners on a waiting list.

The Funding Source

Since August 21, 1991, the Mount Hope Housing Rehabilitation Program has been the recipient of the Agency's Market Street Industrial Park Redevelopment Project Area's (Market Street) Housing Set-Aside Funds. This transfer was necessary because the Market Street Project had no residential units within its boundaries. The total amount of funding transferred from Market Street into the Mount Hope Rehabilitation Program during this time period is \$483,321.61.

As of the first quarter of fiscal year 2005-2006, the Mount Hope Rehabilitation Program contained a balance of \$259,688 from the Market Street Fund and \$9,616 from the Mount Hope Set-Aside Fund for a total of \$269,304. With the current project and administrative costs expended (eight grant projects are currently undergoing assessment), \$225,204 is the amount of funding available to fund the Southcrest Housing Rehabilitation.

It should be noted that the Mount Hope Rehabilitation Program currently has two pending applications totaling \$20,000 and there is no waiting list for Mount Hope rehabilitation loans or grants.

**ALTERNATIVE:**

Do not approve the transfer of funds. This alternative would delay the rehabilitation of owner-occupied housing in the Southcrest Redevelopment Project Area and prevent the opportunity to provide revitalization opportunities to low-to-moderate homeowners in the Southcrest Redevelopment Project Area.

**FISCAL CONSIDERATIONS:**

The transfer of funds (\$150,000) is a reclassification within the Housing Rehabilitation Programs administered by the San Diego Housing Commission. This action will reclassify the previously committed Mount Hope 20% Housing Set-Aside Funds from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program.

**PREVIOUS AGENCY/COUNCIL and/or COMMITTEE ACTION:**

On November 27, 2001, the Redevelopment Agency and the City Council approved the Master Agreement with the San Diego Housing Commission for administration of the Southeastern Economic Development Corporation's First-Time Homebuyer and Rehabilitation Programs, establishing the Mount Hope and Southcrest Housing Rehabilitation Programs funded by tax increment housing set-aside funds.

On November 16, 2005, the SEDC Board of Directors recommended to the Agency approval of the transfer of funds from the Mount Hope Housing Rehabilitation Program to the Southcrest Housing Rehabilitation Program and the Findings of Benefit to the Mount Hope Redevelopment Project Area.

**COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS:**

Quarterly Rehabilitation Housing Program status meetings are held between SEDC, the Housing Commission and members of the Southeastern San Diego Community. Meeting participants are supportive of the transfer of funds. The San Diego Housing Commission publicizes the availability of the programs on its website, and through flyers and mailers to residents of the areas.

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Submitted/Approved by  
Carolyn Y. Smith, President

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Attachment: Findings of Benefit